

# THE COMMUNITY ACTION EXPERIENCE



Prepared For The  
State Charter Revision Commission  
For New York City

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THE COMMUNITY ACTION EXPERIENCE

Prepared by the Staff of the  
State Charter Revision Commission for New York City

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NOTE:

None of the assumptions, statements of fact, observations, recommendations or conclusions contained in the accompanying report are intended to reflect the views of the State Charter Revision Commission for New York City. Consultant and staff reports submitted to the Commission are intended solely to aid the Commission in its deliberations.



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## THE COMMUNITY ACTION EXPERIENCE

This report considers several aspects of the community action experience in New York City and other major urban centers. Its purpose is to analyze the inability of the anti-poverty programs to develop as strong and effective institutions, and to extract from the experience lessons relevant to the Charter Commission's efforts to evaluate alternative decentralization plans for the City's municipal government.

I.

INTRODUCTION

If it survives another year, the War on Poverty will be ten years old on August 8, 1974. During its existence, the Office of Economic Opportunity ("OEO"), has fallen from a celebrated symbol of the nation's commitment to eradicating poverty, to a decimated, federal bureaucracy with programs barely able to survive the sustained opposition of the Nixon Administration.

OEO was established to fund, administer and coordinate the anti-poverty programs. OEO focused its activities on the Community Action Program, under which were established close to 1000 Community Action Agencies ("CAAs") in urban and rural localities throughout the United States. It is this program with which the "War on Poverty" was most consistently identified, and which has influenced the fluctuating fortunes of the OEO agency.<sup>1</sup>

This paper focuses on applicability of the community action experience to issues faced by the Charter Commission in its consideration of a restructured government for New York City. While the anti-poverty program in New York City is most relevant, the experience of urban CAAs throughout the country reinforce and clarify many lessons.

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<sup>1</sup> Head Start was one of the first and best known program components established under the Community Action Program. It was later given independent status by legislative amendment and its administration ultimately transferred from OEO to the Department of Health Education and Welfare.

#### A. SOME DEFINITIONS

Various special terms are used throughout this paper. The following are definitions of terms frequently used:

##### EOA

EOA is the federal Economic Opportunity Act of 1964, which launched a series of anti-poverty programs, including the Community Action Program, JOB Corps, VISTA, Work Training Programs, Work Study Programs, Small Business Loan Programs, and Neighborhood Youth Corps.

##### The 1967 Amendments

Major amendments of the EOA were passed in December 1967. The amendments to Section 210 of the EOA gave mayors and other local officials substantial power over the existence and, potentially, operations of community action agencies.

##### Community Action Program

The Community Action Program was established under Title II of the EOA and authorized OEO to fund "community action programs" in urban and rural areas administered by public or private non-profit agencies. This program has had annual nationwide appropriations of approximately \$340 million out of EOA's total annual appropriation of \$2 billion. Community Action Agencies have also controlled anti-poverty program funds substantially in excess of those provided under Title II.

##### Community Action Agencies ("CAAs")

CAAs are local agencies created to operate community action programs. CAAs were to mobilize local and federal resources to be used for programs and related efforts designed to eliminate poverty. They were authorized to provide financial assistance to, or to conduct, administer or coordinate, community action and other anti-poverty programs. The CAAs discussed in this report are those serving large urban areas.

##### Target Areas

Target areas are areas within a CAA's jurisdiction where poverty is determined to be most severe. CAAs concentrated their programs on these areas and their residents. Target areas residents are eligible to participate in programs whether or not they qualify as "poor" under OEO's poverty income guidelines. In New York City there are 26 target areas (see Appendix A for listing).

### New York City's Council Against Poverty ("CAP")

The Council Against Poverty was created by executive order of the Mayor to serve as the board of directors of New York City's Community Action Program. The Council makes policy for the City's programs and allocates both city and federal anti-poverty funds to 26 local community corporations.

### Community Development Agency ("CDA")

CDA is a city agency within New York City's Human Resources Administration ("HRA"). CDA serves as the staff and administrative arm of the Council Against Poverty and provides monitoring, evaluation, fiscal, data collection and other services to all Council-funded programs operating in the City.

### Community Corporations ("corporations")

These are private, non-profit agencies established in each of the City's 26 target areas. Each corporation has a board of directors, executive director and supportive staff, and serves as the local CAA for all programs and anti-poverty activities conducted in their respective areas.

## B. RELEVANCE OF THE COMMUNITY ACTION EXPERIENCE TO CHARTER REVISION

Several goals of OEO's Community Action Program are relevant to the Charter Commission's concerns. The program sought to increase and improve delivery of services to the poor through improved coordination of existing programs, new approaches to assist the poor, and expanded involvement of the poor in programs affecting them. To accomplish the latter objective, New York City's CAA sought to decentralize policy-making and control of community action programs to neighborhood boards and operational units. Thus, the history of the anti-poverty effort offers the Charter Commission a wealth of experience in establishing community-based boards and entities in low-income areas responsible for performing a variety of quasi-governmental functions, and in facing problems which will emerge from local control over the allocation of public funds and the provision of services to the poor.

But there is an important difference between the anti-poverty experience and any decentralized system of local governments in New York City. The CAAs in most cities, including New York, were established as separate agencies with few operational links to existing municipal services. They sought to change how existing public agencies and local government dealt with the poor - not by merging anti-poverty programs and resources with existing municipal operations, but by establishing new and separate systems for delivery of services to the poor. They hoped to demonstrate the importance of involving the poor in designing and governing programs directed to their needs, and in developing more effective approaches to break the vicious cycle of poverty. In this regard, CAAs inevitably came to represent a separate constituency and a competing institution for the delivery of services. The development of CAAs in this fashion is partly responsible for the current isolation of CAAs and demise of the community action concept.

#### C. OBJECTIVES OF COMMUNITY ACTION AGENCIES

Six major goals for the federal anti-poverty program can be identified in OEO legislation, guidelines and program development.

1. To design innovative programs and new approaches to deal with problems facing the poor.

Although the initial legislation did not focus specifically on this objective, the 1967 EOA amendments did. Section 201(a) of the amended EOA states as one of the three specific purposes of the community action program:

"The greater use, subject to adequate evaluation, of new types of services and innovative approaches in attacking the causes of poverty, so as to develop increasingly effective methods of employing available resources."

A subsequent section of the amended EOA sets forth as a major CAA function:

"Initiating and sponsoring projects responsive to the needs of the poor which are not otherwise being met, with particular emphasis on providing central or common services that can be drawn upon by a variety of related programs, developing new approaches or new types of services that can be incorporated into other programs, and filling gaps pending the expansion or modification of those programs."

2. To operate new programs which provide improved and expanded services to the poor.

Whether Congress intended CAAs to actually run programs with community action funds is unclear in the initial legislation. But, the EPA did authorize CAAs to "provide services, assistance and other activities" designed to eliminate the causes of poverty.

Early in the program, OEO and the original CAA boards and executive directors gave CAAs a major operational role which they subsequently were reluctant to share or relinquish.

3. To plan and coordinate all resources being applied locally to alleviate problems of the poor.

This was a unique and potentially significant role which Congress specified for OEO and CAAs. It was stated in terms of "mobilizing" all available resources into coordinated efforts to end poverty. This assignment acknowledged that in 1964 the annual \$2 billion appropriations for EOA programs represented less than 10% of combined federal resources available to the poor through welfare, housing assistance, food distribution, etc. In addition

to federal aid, considerable state, city and private resources were being applied to problems of the poor, all without visible success in eradicating poverty or its causes.

After the 1967 amendments, the EOA provided several specific mechanisms for the marshalling and coordination of resources. One was creation of an Economic Opportunity Council made up of the Director of OEO and other appropriate federal agency heads who would:

- (a) provide for coordination of all federal programs and activities related to EOA;
- (b) develop basic policies and priorities for all anti-poverty programs;
- (c) resolve differences arising among federal departments and agencies with respect to programs; and
- (d) initiate specific projects designed to achieve the EOA anti-poverty objectives.

The EOA also required OEO's director to prepare a five year national poverty action plan showing how the coordinated application of existing and new resources could eliminate poverty in the United States. It called on federal agencies operating programs related to the poor to cooperate with OEO and to conduct programs so as to further anti-poverty objectives.

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<sup>1</sup>

Section 632 (3) of the EOA as amended.

<sup>2</sup>

Section 633 of the EOA amended.

The same cooperative thrust was envisioned at the local level where CAAs were (a) to coordinate and evaluate the use of all resources available to combat poverty; and (b) to seek to improve the effectiveness and efficiency of federal, state and local agency activities related to the poor.<sup>1</sup> Through inter-agency agreements, OEO secured for local CAAs sign-off power over all Title I, Elementary and Secondary Education Act, programs, Concentrated Employment Programs and Neighborhood Health Centers, funded by other federal agencies to operate within the local CAA's jurisdiction.

4. To provide for maximum feasible participation of the poor in all aspects of the community action program.

The basis of this CAA function was the legislative requirement that CAA programs be developed and conducted with "the maximum feasible participation" of the poor.<sup>2</sup> Notably, there was almost no discussion of this provision in Congressional hearings on the EOA.

As traced by Daniel P. Moynihan in Maximum Feasible Misunderstanding, the theme of involving the poor in the design and operation of programs to assist them grew out of the pre-OEO efforts of President Kennedy's Committee on Juvenile Delinquency. Together with the Ford Foundation, this Committee established programs, such as Mobilization for Youth on New York's Lower East Side,

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<sup>1</sup>

Section 201(a) and 212(b) of the EOA as amended.

<sup>2</sup>

Section 201(a) of the EOA, as amended. Section 202(a) (3) in the initial EOA.

to provide deprived youth with opportunities for involvement in constructive activities. The precursors of CAAs, these earlier programs evolved from the premise that the key to assisting disadvantaged urban youth was to overcome their sense of "alienation" from society. The remedy postulated was "involvement" by the deprived in institutions and activities which affected their lives and aspirations.

Thus, although Congress paid little attention to "maximum feasible participation", OEO's original organizers promoted it as a central objective for CAAs. The agency's earliest issuances emphasize the concept in structuring policy and advisory boards for anti-poverty programs and in employing target area <sup>1</sup> residents. Decisions OEO made in the 1964-66 period as to which local groups or officials would be recognized to establish CAAs were often based on willingness to secure involvement of target area persons in both planning and program employment.

5. To organize the poor and serve as their advocate with governmental officials and public and private institutions.

This objective was developed by OEO partly in reaction to the legislation's emphasis on coordination of local anti-poverty <sup>2</sup> efforts. OEO officials felt more was needed to influence local officials on behalf of the poor than coordination of local programs and redesign of their policies and practices. Thus, OEO instructed

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<sup>1</sup>

See OEO's "Community Action Program Guide", February 1965.

<sup>2</sup>

See Section 212 (b) of the EOA, as amended.

CAAs to use community action programs as a means of organizing the poor; the objective being to give the poor a voice to express their needs to elected officials, public agencies and others in control of resources.

This emphasis evolved from an understanding that allocation of resources in the United States was based on compromises reached by strong constituencies such as labor, private enterprise, education, etc.; and the premise that the poor would never secure equitable treatment until they built a constituency to compete with these interests.

As conceived by OEO, "organizing the poor" meant creating and promoting membership in neighborhood groups and advisory boards, and building a constituency which could make its weight felt in the community. The role of these neighborhood entities was to make their problems known to the CAA, as well as other local agencies and public officials. Where specific problems or deficiencies in municipal operations were identified, or inadequate treatment of the poor by institutions such as unions, private industry, schools, etc., the CAA was to speak for the poor and negotiate changes in those institutions.

While this function was not specifically described in the initial legislation, the section on CAA functions in the amended EOA calls for procedures to assist the poor in influencing and participating in all programs affecting their interests.<sup>1</sup>

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See Section 212(b) (4) of the EOA as amended.

6. To extend and strengthen the civil rights struggle for minority Americans.

Critics of OEO have often noted the close identification of CAAs and their community action programs with the Black civil rights movement of the 1960's.

In fact, the EOA provided no new civil rights initiatives. However, OEO and the CAAs used existing civil rights legislation governing their activities to call for maximum feasible participation of the poor, and through emphasis on resident employment in programs, to build a major civil rights component into their programs. For example, in shaking off early attempts of mayors to control CAAs in their cities, OEO invoked civil rights legislation and often found, with justification in some areas, that local officials could not or would not guarantee sufficient compliance with civil rights provisions in their proposed operation of community action programs.

In cities with large concentrations of black Americans, CAAs were established and target areas defined in ways that convinced many people the programs were primarily for black, inner-city residents. OEO did, in fact, focus its resources on major urban ghettos on grounds that its limited resources should be applied in the most seriously deprived areas.

D. HISTORICAL PERSPECTIVE ON THE MISSION OF CAAs.

This section briefly reviews the frequent shifts in the federal governments articulation of the anti-poverty mission, which to some extent traces the demise of the CAAs.

Prior to 1966, the primary functions of local CAAs were considered to be: (1) to develop and administer all innovative programs funded by any federal source to assist the poor in a given community, and (2) to serve as catalyst for social action and reform by organizing the poor to campaign for changes in institutions which were not adequately serving them.

Soon after most CAAs were established, a Congressional amendment was passed (1966) proscribing use of OEO funds to support or finance voter registration drives. This amendment dealt a blow to community organizing activities as the building of voter constituencies of the poor was regarded as the most effective way to influence public institutions and local government.

The Greene Amendments of 1967 dealt a further blow to the idea of the CAA as catalyst for social change by giving "locally elected officials" power to decide which local agency would serve as the CAA. While this amendment resulted in little change in CAA sponsorship, the leverage it gave urban mayors sounded a warning to CAAs that their actions should not be offensive to local officials.

In 1968, shortly after passage of the Greene Amendments, HUD funded the Model Cities programs in many cities having a community development agency component which in many ways paralleled the CAAs. In New York, as in some other cities, this diluted the central coordinating and program operation role that the local CAA had enjoyed up until that time. Even more deeply felt was the fanfare with which the Johnson Administration launched Model Cities, a clear signal of the disfavor into which OEO and CAAs had fallen.

A 1969 sequel was the Department of Labor's initiative in several areas throughout the country to remove CAAs as local sponsors of the new Concentrated Employment Program, and to turn them over to established manpower institutions, such as state <sup>1</sup> employment agencies.

While less disruptive, the transfer of Head Start authority to HEW in 1969-70 also probably lessened CAA influence over local day care programs, although concrete evidence of this is unavailable.

Against this backdrop of defeats, local CAAs experienced considerable uncertainty in 1969 as to how they would fare under a new Republican Administration. After a short reprieve granted by the Nixon-Rumsfeld direction of OEO, <sup>2</sup> CAAs were cast in a new role by the Nixon Administration as developers of innovative programs which, once proven, would be transferred to other federal agencies. Although initially promising, minimal steps were taken to implement this new strategy for CAAs. Very few initiatives for new programming and experimental funding were forthcoming from OEO. And, while official policy paid lip service to a role for CAAs in promoting "institutional change", a decided chill on concerted activities in this area emanated from OEO in the first few years of the Nixon Administration.

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<sup>1</sup>

In the Northeast, for example, this occurred despite considerable opposition in Buffalo New York.

<sup>2</sup>

Donald Rumsfeld, a congressman from Illinois, was appointed director of OEO by President Nixon in 1969.

Recently, with continued budget cuts in local spending, advocacy by the Administration for an income maintenance plan, and prospects of federal reorganization that would remove CAAs from OEO auspices, survival has become the immediate goal of these institutions. In July 1973, all program authority other than that covering CAAs was removed from OEO. And, unless Congress acts this year, Title II's authority will expire in June 1974. Decisions will then have to be made by local officials as to whether funds provided under Federal Revenue Sharing are used to provide continued support for CAA operations.

Any decentralization plan will raise many of the same problems OEO and local organizers of CAAs have faced. It must be kept in mind that the Charter Commission's objective is to directly alter the structure of local government in several major ways; whereas the emphasis of the anti-poverty program was to increase coordination and delivery of services aimed at assisting people to escape from poverty. But, taking these differences into account, the community action experience nonetheless affords some valuable insights for any attempt to establish new public entities (i) to render improved service delivery at the local level, (ii) to improve responsiveness of institutions to local communities, and (iii) to provide means for increased participation of local residents in local government.

## II.

ESTABLISHING THE CAAs AND STRUCTURING THEIR BOARDS

Several aspects of establishing CAAs have relevance to the Charter Commission's work on decentralization. These include:

- Determining the composition of CAA boards;
- Defining target areas;
- Planning and conducting elections of CAA board representatives.

A. DETERMINING THE COMPOSITION OF CAA BOARDS.

1. Description-Nationwide Policies 1964-1967:

Although CAAs were conceived and launched to carry out a variety of roles on behalf of the poor, the initial legislation contained virtually no reference to CAA boards as such. While early drafts of the EOA contained the definition of a community action program as one:

"which is conducted, administered, or coordinated by a public or private non-profit agency...which is broadly representative of the community..."

this language was changed by the House Committee on Education and Labor before enactment to read:

"(4) which is conducted, administered and coordinated by a public or private non-profit agency (other than a political party) or a combination thereof."<sup>1</sup>

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<sup>1</sup>

Section 202(a) (4) of the initial EOA.

Presumably, Congress would have been satisfied if existing public or private mechanisms were used to mount community action programs so long as ways were devised to involve the poor in their operations.

OEO's consistent demand that CAA boards have representation from the poor reflects its determination to use community action as a vehicle to secure participation of the poor in other public

<sup>1</sup> programs and a voice in the affairs of their communities.

Participation of the poor on CAA boards was, therefore, a form of institutional enfranchisement, which thrust CAAs into a political role few could have anticipated.

There is considerable evidence in the EOA and the legislative history that CAAs were intended to work closely with local governmental agencies in fashioning and operating programs for the poor. However, unlike the Model Cities legislation enacted two years later in 1966, Congress created no means to ensure operational relationships between CAAs and local government.

Instead, OEO officials and the local interests who set up the CAAs sought to create new, private non-profit agencies outside the direct control of local officials. They were successful as indicated in the Northeast region where only three out of 150 CAAs from New Jersey to Maine, including New York City, were established under municipal or other public auspices. The degree of mayoral influence over urban CAAs, or the selection of their boards, typically depended on how OEO officials perceived the sympathies of the mayor to the goals of the program.

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<sup>1</sup>Typical targets of demands for adding "community" representatives were boards governing public hospitals, public housing projects, rent commissions, health commissions, parole activities, etc.

The first CAA boards generally consisted of representatives from private and public agencies, local civil rights leaders and organizations, recognized community spokesmen for neighborhood and minority groups, and some public officials. OEO pushed to have a significant number of "legitimate" representatives of the poor on the boards, usually selected by civil rights or other civic or community groups. However, few CAA boards ever had a majority of <sup>1</sup> representatives of the poor.

## 2. Nationwide Policies 1968-Present.

The December 1967 EOA amendments vested authority in the mayor or other local officials over CAAs operating in their jurisdictions. In a major shift of power those amendments, often referred to as the Greene Amendments, gave local officials the power to "designate" what agency or instrumentality would henceforth serve as the CAA.

Despite the Greene Amendments, less than 1% of the existing CAAs across the country failed to be officially redesignated. The minimal effect of the Greene Amendments was due in part to the ability of OEO officials in implementing them. It also testifies to the political strength which CAAs had developed in the first 2-3 years of their existence.

The 1967 EOA amendments also sought to clarify the selection and constitution of CAA boards. They provided that after 1967 each board could have no more than 51 members, including: (1) at least 1/3 representatives of the poor "chosen in accordance with democratic

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New York City's poverty corporations are an exception in this respect, as will appear below.

selection procedures;" (2) up to 1/3 public officials or their representatives; and (3) representatives of business, industry, labor, religion, welfare, education or other major groups

<sup>1</sup>  
interested in the community. OEO regulations promulgated under this provision specified that:

- (a) elections, or selections from within elected memberships, were to be the source of representatives of the poor;
- (b) the local jurisdiction's "chief elected officials" were to designate the public officials to serve on the board;
- (c) the board itself would select the private groups or agencies to be represented, which would, in turn, choose the individuals to represent them.<sup>2</sup>

Several objectives are apparent in the 1967 amendments, including:

- (1) providing mayors with ultimate control over the structure and existence of CAAs;
- (2) ensuring the participation of local officials in CAAs through automatic board membership;
- (3) discouraging the exercise of complete control of CAA boards by neighborhood groups and their leaders;
- (4) providing a better balance of professional and experienced board members to (i) improve overall administration of CAA programs; (ii) mitigate fiscal and personnel scandals; (iii) lessen the CAA's inclination to use confrontation tactics;
- (5) encouraging closer relationships between CAAs and other governmental agencies and private sector institutions.

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<sup>1</sup> Section 211(b) of the EOA.

<sup>2</sup> See OEO's CAP memo 80 and 81.

3. Description - New York City.

The structure of the anti-poverty program in New York City evolved in several stages between 1964 and 1966. The initial structure established under Mayor Wagner in 1964-65 had three parts which virtually guaranteed that direction of the program would be determined centrally by public officials. The institutions created to operate the program were all central services, including:

- (a) A Council Against Poverty (Council) consisting initially of 30 public officials and later broadened up to 100 public officials and representatives of private institutions from all sectors. The Council was responsible for setting citywide policies and allocating all federal funds.
- (b) The Anti-Poverty Operations Board, made up entirely of city officials, to allocate city funds earmarked for the new anti-poverty programs. Community advisory committees were also organized in 1965, and city operated, neighborhood service centers (Community Progress Centers) were set up to respond to needs identified by the local committees. In Harlem, the Lower East Side and Bedford-Stuyvesant where private anti-poverty agencies had been established prior to the EOA, the creation of Community Progress Centers were successfully resisted.
- (c) An Economic Opportunity Corporation of 11 public officials and 6 private citizens appointed by the Mayor, established initially as a separate public corporation to receive OEO and city funds and to operate anti-poverty programs. After the Governor vetoed this plan, it became a municipal entity instead, but exercised relatively little influence over the program.

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A commentator familiar with the era has noted that most of the early decision-making during this period was in fact dominated by New York City's public officials. As a result, many citywide projects funded were sponsored and operated by existing voluntary agencies and other well-established groups. While some

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<sup>1</sup> Jack Krauskopp, "New York City's Anti-Poverty Program," published in City Almanac, Vol. 7, No. 4, December 1972. This article provides an excellent review of many aspects of the community action program in New York City.

programs were neighborhood-based, little attempt was made to involve local groups in decision-making or planning for the anti-poverty program.

On assuming office in 1966, Mayor Lindsay reorganized this structure and provided for decentralization of its policy and operational authority to a number of private, non-profit community corporations to be established in the City's principal target areas. The Community Development Agency was created within the Human Resources Administration<sup>1</sup> to replace the Economic Opportunity Committee as the staff and administrative arm of the program. The Anti-Poverty Operations Board was abolished, and the Council Against Poverty reconstituted with poverty area representatives (just under 50%) and representatives of private sector groups and organizations (just over 50%).

Between the time of reorganization and the 1967 amendments, no city officials served on the Council. After the 1967 amendments the Council was restricted to 51 members: 17 city officials, 25 representatives from the recognized community corporations,<sup>2</sup> and 9 representatives of private sector agencies.

The most significant aspect of the Lindsay reorganization was its plan for a new, private, non-profit community corporation to serve each designated poverty area. Such corporations were eventually

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<sup>1</sup> This was done pursuant to the recommendations of the "Sviridoff Report" which recommended in 1965 restructuring of City agencies into the present "superagencies" (Administrations), including HRA.

<sup>2</sup> A twenty-sixth community corporation has since been added.

set up in each of the City's 26 target areas (1) to plan and evaluate anti-poverty programs in their areas, (2) to recommend programs for funding to the Council Against Poverty, and (3) to provide programs with centralized administrative services.

The dominant objective of the reorganization was to establish relatively autonomous CAAs in each of the City's target areas, while retaining some central administrative controls under municipal auspices. Prior to the 1967 Amendments, the Lindsay Administration was also inclined to give autonomy to the Council Against Poverty, the central policy-making board for the citywide program. Thus, it operated independently of City Hall and had no city officials as board members during this period.

The initial composition of the community corporation boards prior to the first anti-poverty elections was left to local determination. A variety of local civic, religious and civil rights organizations participated in their formation. Although the corporations were not formally subject to the 1967 Amendments prescribing CAA board composition, most corporations have since then attempted to include public officials on their boards while keeping board control in the hands of elected members.

#### 4. Assessment.

Both nationally and in New York City, the objectives of mandating the composition of CAAs and corporation boards have been realized to some extent.

Nationally, the strained relations (and at times open confrontation) between mayors and CAAs all but disappeared.

Since 1967 CAA boards and officials have lowered their voices and profiles so considerably that by 1968 they were regarded by most activists as "establishment." Gone too are the frequent fiscal scandals involving missing or "unaccounted for" public funds. CAAs have for the most part mastered the complicated and demanding fiscal requirements attached to federal grants. Most have also secured a measure of administrative control over their own and grantee business and personnel practices. In the annual struggles with OEO over funding levels, mayors and other local officials now line up solidly behind their CAAs.

Too much credit should not be given to revised board composition for these changes. Many are related more to the changing temper of the times and loss of respectability which confrontation tactics underwent between 1966 and 1971. However, it is fair to say that participation of public officials on CAA boards helped bring CAAs into the ambit of pre-existing social and municipal institutions, which, in turn, enabled them to survive from year to year. The post-1967 boards have also been more inclined to concentrate on developing sound fiscal and administrative skills critical to their struggle for survival.

Changes in board composition have not, however, brought CAAs into closer working relationships with other instruments of local government. Once the CAAs were relatively neutralized as political threats, mayors have generally let them continue to operate their programs in relative isolation from other municipal activities.

Thus, although the total divorce of CAAs from municipal officials was avoided, CAAs have not gained increased access to public decision-making. Their operational isolation from municipal agencies has in fact increased over the years for a variety of reasons explored below.

Similar objectives have been accomplished in New York City with roughly the same results. The Council Against Poverty, except for an occasional foray into issues such as school decentralization, has been relatively subdued. In recent years, the community corporations have focused their efforts on establishing sound administrative systems and operating or funding local programs. This has been no small accomplishment in light of earlier fiscal disasters and the periodic struggles for control through elections.

Neither the Council nor the community corporations have significantly increased their operational or political relationships with the rest of City government. HRA is currently revamping and reforming its welfare system with little, if any, involvement of the Council. When the City established the Model Cities program in 1967-68, it deliberately tried to exclude community corporations by denying them a formal role in the Model Cities structure or in the local policy committees, and by refusing to permit them to operate Model Cities programs. Later, Model Cities in New York denied local policy committee membership to persons affiliated with the corporations. As further discussed below, the trend of the Council Against Poverty community corporations towards political and institutional isolation has continued unabated since 1967.

### 5. Lessons.

This experience suggests that use of appointed as well as elected members to community boards serving low-income areas might increase their capacity and inclination for:

- (a) adopting sound administrative practices;
- (b) assuming a responsible and non-threatening posture towards other public and private institutions;
- (c) stabilizing program operations.

On the other hand, it has been suggested that prescribing board composition and including appointed official and organizations has diminished the autonomy of CAAs, their capacity to be true advocates on behalf of the poor, and their ability to innovate. There is no way to test the accuracy of these allegations.

Analogies to the Commission's concerns are risky here since local district councils in any decentralization plans (i) will have governmental functions as their prime responsibilities, (ii) will be established by Charter rather than mayoral fiat, and (iii) presumably will be plugged into the decision-making apparatus of local government in several major ways. But, while the risk of isolation is considerably less under most models of political decentralization, there would still seem to be several advantages to having some appointed seats on any district council.

- (a) Many persons, including officials, professionals from the public and private sector and other civic minded citizens, who could make a substantial contribution to a district, will not run for elected office.

- (b) Board members who are appointed need not represent a particular constituency and may therefore exercise a professional and objective influence. This factor depends, of course, on the appointing official's inclination to designate this kind of council member.
- (c) Appointment from certain groups or interests which may be excluded by elections, might be critical to a district council's successful representation of the broader interests of the community.

B. DEFINING TARGET AREAS

1. Description.

The central wards of several large cities could have easily consumed most of the Title II's initial appropriations. Indeed, the entire appropriation of new funds under the EOA represented in 1965 less than \$10 annually for each of the nation's 25 million poor persons. Thus, OEO sought to focus its resources on the most serious pockets of urban poverty.

OEO's early guidelines called for creation of specific "target areas" within each city served by CAA. These were to be residential areas where locally-determined indices of poverty were found to be most severe. The criteria by which target areas were determined were most often left to the group of citizens and/or local officials who created the CAA and secured its initial grant. Typically, income figures from the 1960 census tracts and other health and statistical data were used, but considerable flexibility and discretion were granted CAAs to draw target area

<sup>1</sup>  
boundaries.

Target areas included residents who did not qualify as "poor" under OEO's poverty income guidelines. However, anyone who lived within an established target area was entitled to all program benefits and could qualify as a "representative of the poor" on policy boards.

For a variety of reasons, the target areas in most large urban areas were communities with large concentrations of minority persons, often predominantly black. In the residential patterns of most large cities in 1965, racial ghettos coincided fairly well with the most serious statistical indices of poverty, and very often the physical decay of target areas tended to visibly confirm the appropriateness of boundaries.

In New York City the initial designation of 15 target areas was later expanded to 26, encompassing roughly 3,165,000 persons, or close to one-half of the City's population, by New York City's

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The initial EOA legislation (Section 205(c) suggested several indicators to be used by OEO in making funding allocations, including: "The concentration of low-income families, particularly those with children: the extent of persistent unemployment and under-employment; the number and proportion of persons receiving cash or other assistance on a needs basis from public agencies or private organizations; the number of migrant or transient low-income families; school dropout rates, military service rejection rates, and other evidences of low educational attainment; the incidence of disease, disability, and infant mortality; housing conditions; adequacy of community facilities and incidents of juvenile delinquency."

<sup>1</sup> estimates. The areas ranged in size from 235,000 in Bedford-Stuyvesant to 16,400 in Rockaway, according to the 1970 census count.

The task of designating target boundaries in New York was initially delegated to the City Administrator's Office. Using available social and economic indicators such as welfare statistics, births in general service wards, and juvenile delinquency rates, and with the help of community conventions held in some neighborhoods at which various groups and organizations presented their ideas, the boundaries of the areas each corporation would serve were determined. Although the statistical data helped justify those boundaries, there was a conscious attempt to respect established neighborhoods and an effort in some cases to center target areas on concentrations of minority persons, particularly blacks.

In the latter part of 1966, as the community corporations were being organized by CDA pursuant to Mayor Lindsay's reorganization of the anti-poverty structure, CDA worked out specific target boundaries with existing community advisory committees. The Council Against Poverty, however had to approve these boundaries together with the corporations' election plans. Commentators have noted that the area boundaries were determined mostly by convenience, using existing health districts as the building blocks. Although areas centered in some cases (such as in Rockaway) on the minority sections of the low income area, traditional neighborhood boundaries were in general respected.

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OEO's Office of Inspection determined in 1971 that 4,274,000 persons resided in the 26 target areas, 2,858,000 of whom had incomes which classified them as poor.

The relative population in the 26 target areas does not appear to have been an issue since there is a considerable range. All but eight of the corporations serve areas with between 110,000 and 250,000 persons. Of target areas which encompass most or all of a major, well-established neighborhood, the majority serve between 150,000 and 250,000 residents. (Most of the smaller target areas are blighted sections of larger communities.) This suggests that neighborhoods in New York City which are amenable to becoming jurisdictions for decentralized government would have a similar population range.

## 2. Assessment.

In New York the specific boundaries of target areas engendered little controversy initially.<sup>1</sup> Several factors account for this, including the use of accepted neighborhoods and the fact that target area boundaries were negotiated with interested community groups. By contrast, area boundaries in the Model Cities program were not negotiated and combinations of such neighborhoods as East Harlem and Central Harlem, and South Bronx and Morrisania, were made without first testing community response. This exacerbated the distrust, suspicions and negative citizen perceptions which hampered Model Cities in its first few years.

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<sup>1</sup>

Since 1970 the efforts of New York City ethnic groups which felt left out of CAA programs, have focused on target area boundaries as one indication of their exclusion. While few CAAs have attempted to redefine target areas, this was done successfully in Houston, Texas in 1970 in order to include large numbers of Mexican Americans living in poverty.

Another factor which minimized community reaction in the anti-poverty program was initial acceptance of community action as an essentially black-oriented program. Prior to 1967 New York's Puerto Ricans were insufficiently organized to secure a fair share of available anti-poverty dollars; and it was not until 1969-70 that poor Jewish and Italian groups began protesting their relative exclusion from the program.

### 3. Lessons.

The Charter Commission will be faced with critical decisions in determining procedures to be used in formulating decentralized districts. The community action and Model Cities experiences would seem to suggest several approaches:

- (a) If possible, in defining geographical areas to be served by decentralized units, adhere to existing boundaries for community planning, school decentralization, or other established districts which follow traditional neighborhood boundaries.
- (b) If new district boundaries are created:
  - (i) Traditional neighborhood entities should be respected to the maximum extent possible.
  - (ii) An independent and disinterested agency should be assigned the task of collecting relevant data and information, applying well-publicized criteria, and fixing district boundaries. This agency should be as insulated as much as possible from political pressures.
  - (iii) A mechanism for airing the ideas and objections of affected community groups should be included in this process.

The Commission's primary objective in this area must be to avoid scrupulously even the appearance of political manipulation or the influence of factors other than criteria announced at the outset. Failure to create public confidence in this process could

give rise to doubts, suspicions and conflicts which might critically impair local governmental units from the outset.

- (c) Ethnic considerations should be disregarded in fixing the precise boundaries of decentralized districts, except to the extent ethnic residential patterns determine the accepted boundaries of specific communities. Most low income communities in New York have diverse populations.<sup>1</sup> Efforts to gather different ethnic groups into separate districts would for most areas produce the following results:
  - (i) A distortion of traditional neighborhood boundaries;
  - (ii) The need to readjust boundaries continually to follow the rapidly changing population shifts which occur in New York;
  - (iii) Increased isolation of small groups of minorities residing in larger ethnic ghettos;
  - (iv) Introduction of ethnic politics and gerrymandering with its attendant fears, suspicions and hostilities.
- (d) The Commission should permit flexibility in the size and population base of new districts, within general limitations. However, these factors should be subordinate considerations to adherence to traditional neighborhoods. The base of 150,000 to 250,000 residents seems to have permitted reasonable adherence to well-established neighborhoods in the creation of community action target areas in New York City. It is likely, however, that the size of the City's traditional neighborhoods diminishes inversely in proportion to their income levels.

C. ELECTIONS OF AREA REPRESENTATIVES1. Description - First Elections (1967-1969)

The conduct of anti-poverty elections for CAAs nationwide has varied greatly. Generally planned and held under the auspices of the CAAs themselves, CAA elections have had three serious problems

- (a) Charges of irregularities due to poorly planned and unprofessionally conducted elections;
- (b) A general lack of electoral issues other than the ethnic identification of candidates;
- (c) Such consistently low turnouts that participation of more than 5% of eligible voters has come to be regarded as outstanding.

The early community corporation elections in New York City followed the national pattern, although ethnic conflict has been more serious here with attendant increased instances of turmoil and violence accompanying elections.

Elections for CAA or corporation boards were encouraged, but not required by OEO, which issued regulations permitting the use of "any democratic selection process." Elections were not held in New York City under the Wagner Administration. The "community committees" established in the first sixteen designated poverty areas were selected at community conventions in which local organizations and civic groups participated.<sup>1</sup>

The notion that corporation boards should be elected emerged from the Sviridoff Report,<sup>2</sup> which recommended corporation boards

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<sup>1</sup> The conventions selected twenty area residents to each committee, including at least one-third members who were "target poor." The committees then expanded through their own selections to sixty members.

<sup>2</sup> See Footnote 2, p. 19 herein.

with from fifteen to thirty members. The Report added that all residents of a target area should be eligible as voters and candidates, and called for selection by democratic procedures which "...will generally mean... direct elections." The Report criticized the earlier neighborhood "committees" as having been imposed on the communities without their participation in designating the method of selection. The Report also described the committees as unrepresentative of the "unaffiliated" or non-participating poor because only existing organizations were involved in the conventions.

The first community corporation elections were held seriatim in the newly designated target areas throughout 1967. CDA organized these elections pursuant to first election guidelines devised by the Council Against Poverty. These guidelines left the determination of virtually all major substantive and procedural issues to the local communities themselves. This meant that critical decisions about size of board, percentage of elected representatives, eligibility, use of sub-districts and their delineation, etc., were all resolved through negotiations between CDA staff responsible for organizing the elections and the existing "committee", or other interested groups in each target area. Decisions on nominating procedures, terms of office, and procedures for challenges were made by the same process, although the American Arbitration Association was brought in by CDA to administer the actual voting.

This process of organizing elections continued for three years during which twenty-four elections were held in 1967, five in 1968 and eighteen in 1969. Virtually all areas had at least two elections in this period.

## 2. Assessment-First Elections

The results of the elections were generally disappointing. In certain communities they produced conflict and exacerbated existing ethnic tensions between Black and Puerto Rican interests. On several occasions these conflicts erupted into violence. Voter turnouts ranged from 1% to 8%, with most elections reflecting a 2% to 4% rate of participation. The coincidence of higher turnouts and serious ethnic struggles was evident.

Many elections were followed by a barrage of challenges, complaints and petitions to the Council Against Poverty raising almost every conceivable issue. Unfair practices, illegible ballots, and ethnic discrimination characterized many charges. In the South Bronx, where a black minority dominated the first election, Puerto Rican groups claimed fifty violations of election rules.

Issues were noticeably lacking in most, if not all, of the campaigns. The most persistent election issue was ethnicity, as Blacks and Puerto Ricans, and in Crown Heights and Williamsburg, Blacks and poor Jews, struggled fiercely to gain and maintain control of corporation boards. Blacks were initially better organized and defeated most Puerto Rican candidates in contested areas in 1967.<sup>1</sup> But the Puerto Ricans subsequently organized and, in 1969, captured control of the South Bronx, Hunts Point, Morrisania, South Brooklyn and East New York corporations. Such victories were usually followed by attempts to oust the executive directors and senior staff from the corporations.

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<sup>1</sup>

In Crown Heights and Williamsburg, Jewish interests gained initial control of the Corporation boards.

The role played by the Council Against Poverty in these elections was pivotal. Responsible for hearing and deciding all elections, appeals and challenges, the Council was frequently charged with ethnic bias towards black interests in its adjudications.<sup>1</sup> After the 1969 elections, for example, the Council delayed for nine months certification of the new board members (Puerto Ricans) in the South Bronx pursuant to challenges from defeated candidates (Blacks). These problems were aggravated in some instances because corporation representatives to the Council had terms of three years, fixed by Mayoral executive order, and could not be removed even if defeated in an election. Thus, new boards were often saddled with defeated representatives to the Council.

### 3. Description - Second Elections (1970)

The community corporation elections of 1970 were structured quite differently than the earlier ones. First, they were held simultaneously for eighteen corporations, on two days in September and were governed by a more comprehensive set of guidelines. These guidelines, prepared by CDA and endorsed by the Council, set a residency requirement, age limitation for voters (eighteen years) and candidates (twenty-one years of age), and a minimum of fifty signatures on nominating petitions. The election plan required that at least two-thirds of the board members of each corporation be elected, and it established a Local Board of Elections from each area to hear appeals and charges, mediate conflicts and monitor the election process.

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<sup>1</sup>

In 1969 fifteen Blacks and six Puerto Ricans served as corporation representatives to the Council.

Each corporation was also required to establish an Election Task Force which would select polling sites and conduct orientation sessions for candidates.

Despite this ambitious attempt to avoid past failures, the 1970 elections were equally unsatisfactory. Only 2.5% of the eligible voters participated city-wide. Campaigns were poorly organized and waged without issues; and again most voters appeared to base their choice more on the ethnic identity of candidates than on anything else. Observers of the elections claim there was casual disregard in many areas for the plan and its procedures.

Of the 847 candidates in the citywide election, almost all had a previous affiliation with a corporation or were involved with a delegate agency in the target area. The majority of elections were challenged or appealed, and charges of abuse and ethnic politics continued to promote divisions between community groups long after the elections were over.

#### 4. Assessment - Second Elections

The reasons for these failures are worthy of analysis. They must be considered in the context of 1970 when (i) community action had lost much of its appeal to the poor and the public and (ii) CAAs had become virtually isolated from operations of other agencies and from efforts to reform governmental practices and programs related to the poor. These developments had been hastened, of course, by the advent in 1969 of the Nixon Administration which vowed to terminate the Community Action Program. Nevertheless, several other factors in New York's 1970 anti-poverty elections

helped produce the disappointing results and should be avoided in any future elections of community boards:

- a. CDA, Council Against Poverty and community corporation staff were not sufficiently trained to carry out the elections.
- b. The election plan was a poorly prepared document.
- c. Pre-election activities were coordinated by corporation appointees or staff who had an obvious interest in election results and who could not, therefore, avoid the appearance of partiality.
- d. Efforts to publicize the elections were unsuccessful both at the central (CDA) and local levels.
- e. No provision was made for the appointment of some board members to adjust serious ethnic imbalances on elected boards.
- f. Almost no issues other than ethnic rivalries surfaced to stimulate voter interest.

#### 5. Lessons

This anti-poverty program election experience suggests several policies which the Commission should consider regarding selection of members for citizen components of any new local governmental units for New York City:

- a. Elections should be planned and conducted by professional and disinterested agencies. The conduct of elections is a highly technical process where experience, expertise and legal considerations are important. It should not be left to persons or agencies lacking training and experience, or to those having even the appearance of a vested interest in the outcome.

- b. If possible, local council elections should be included in the traditional state and municipal elections to ensure maximum voter participation and to accomplish the objectives set forth in (a) above. Except for the presence of exciting candidates, or deeply felt political issues, there may be no other way to secure enough local interest and participation in elections to avoid criticisms of the legitimacy of their results.
- c. Election districts should be subdivided along neighborhood lines to reduce the effects of factional and ethnic politics and to enhance the representation of minority groups and interests within each district. However, although New York's community corporations have adopted this practice, it should not be held out as the answer to ethnic conflict.
- d. Several seats on district councils should be reserved for appointment by city officials to adjust serious ethnic imbalances or to secure representation for smaller minority groups which might otherwise be unrepresented.

## III

THE PERFORMANCE OF CAAs AND FUNCTIONAL  
CAPACITIES OF THEIR BOARDS.

This section examines the roles and functions which CAAs and New York City's community corporations actually assumed and their ability to perform them. From an analysis of their performance will be derived indications of the inherent capacities and limitations of community boards.

As noted earlier, the initial legislation did not focus on the role, functions or composition of CAA boards. Yet, Congress passed the 1967 restrictive amendments in response to (1) the increasingly pivotal role of OEO created CAA boards; (2) various political activities through which CAA boards sought to assert and exercise their power; and (3) the occasional lapses of CAAs and their boards into the politics of confrontation.

The objective here is to assess several questions about unpaid, part-time and elected community boards which serve urban, low-income communities:

- What functions are community boards most capable of undertaking?
- What are some of the inherent limitations of other constraints on their capacities?
- Which factors determine their capacities and limitations?

The answers to these questions bear on the Charter Commission's objectives and provide a general comment on the capacity of local councils to function in the City's numerous deprived

communities under any decentralization scheme. How the assumption of certain functions may influence or determine the capacity of community boards to perform other roles or assignments, is also analyzed.

A. CAA ASSUMPTION OF MAJOR OPERATIONAL RESPONSIBILITIES  
PREVENTED EFFECTIVE UNDERTAKING OF MANY FUNCTIONS  
FOR WHICH THEY WERE CONCEIVED.

As noted, one of OEO's major objectives was that CAAs secure direct or indirect operational control over as many anti-poverty programs as possible. Under the EOA, OEO had sufficient authority to see that this occurred with respect to most programs authorized by the Act. Together with the new constituencies organized around the CAAs, OEO fought with considerable success to have EOA programs administered by the Department of Labor and antipoverty programs established by other federal legislation either funded through the CAAs or at least subject to CAA concurrence.

During its heyday (1964-66), OEO had sufficient White House support to pressure other federal agencies, such as HEW and DOL, to fund antipoverty programs through the "umbrella" mechanism provided by the CAAs. Federal grants were made to the CAA, which then executed a delegate agency contract with the entity operating the program. Such agreements were made with the Department of Labor to make CAAs the presumptive recipients of Neighborhood Youths Corps and other manpower funds, and later of

Concentrated Employment Program (CEP) grants. HEW's day care funds were also channeled in most instances through urban CAAs. The CAAs were also encouraged by OEO's regional offices to reach out to major foundations, other private institutions and corporate enterprises for grants and contributions. CAAs also sought program funds from state agencies.

Until 1968 urban CAAs had as their central objective the development of a substantial base of program operations which they directly or indirectly controlled. Indeed, the status of CAAs was often gauged by the non-OEO funds they were able to attract and administer. As a result, most urban CAAs today control programs and resources substantially beyond those which they received to run OEO-funded or EOA authorized programs.

OEO officials rationalized this development as an effort to put some muscle into the difficult "coordination" objectives called for in the legislation. They argued that CAAs could not be directed to coordinate other antipoverty programs unless given some semblance of control over the direction and policies of those programs. But, the more compelling reason for this posture was the view held by many early OEO and CAA officials that CAAs had to build a power base if any significant changes were to be made in the way private and public institutions, state and local officials, dealt with the poor. Control of program operations was used to build a constituency and to gain influence through the traditional means of controlling job and funds. The hope was that CAAs would in this way gain identity and leverage among local institutions and government.

One unfortunate by-product of this objective was the disinclination of CAAs to program resources they controlled through established governmental and private agencies. Most urban CAAs tended to denigrate the contributions that existing private and public agencies could make to their target communities, and would not share funds with such agencies. The CAAs generally sought either to operate programs themselves or to delegate them to agencies they created or controlled.

This approach was justified by the oft-expressed fear that the interests of the poor would be "co-opted" if operations or control over resources were shared with traditional municipal or private agencies. The view of CAA boards and staff, as well as many OEO officials, was that these institutions had created or perpetuated many of the problems of the poor, particularly the minority poor, and therefore could not be expected to effectively redress them. Some programs were contracted to more traditional institutions, particularly Head Start operations which in many cities (not New York) were entrusted to local school boards. But the great bulk of antipoverty programs and funds were kept under the direct or indirect control of the CAAs.

1. Operational Responsibilities in New York City's Community Corporations

The New York City antipoverty program has adopted this approach with even less exceptions than elsewhere, although its initial emphasis under Mayor Wagner was quite different. Prior to Mayor Lindsay's 1966 reorganization of the program, more than one-half of the funds programmed by the Council Against Poverty

and the Antipoverty Board (both of which were controlled by city officials) went to 40 well-established city-wide agencies. A major portion of the remaining funds was contracted to traditional welfare and educational agencies and to programs which had been operating in target areas prior to 1964.

Once the new corporations were established (1966-67), virtually all funds under the Council's control were divided and programmed on a target area basis.<sup>1</sup> The community corporations thereby assumed primary control over (1) which agencies would be funded to carry out programs in their target areas; and (2) the amounts of the allocations to each program. The corporations have used roughly one-third of the funds provided by the Council to support their central operations. These include executive staff, program planning and evaluation, monitoring, technical assistance and various administrative services. The remaining two-thirds of the funds are contracted to delegate agencies to operate programs. In 1970 the corporations centralized fiscal operations for all of the programs under their auspices in a "prime contract" arrangement with CDA. This step increased the administrative control of corporations over neighborhood programs by replacing tripartite contracts (CDA-corporation-delegate agency) with one annual corporation contract covering all area operations.

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<sup>1</sup>In 1968 and 1969 OEO provided \$16 million for year-round community action programs in New York City, excluding Head Start. The City provided tax levy funds of \$20 million in 1968 and \$16 million in 1969. In spite of its reduced contribution, New York City provides more cash resources to community action programs than any other city. The Council Against Poverty also controlled in the 1968 and 1969 program years: \$11 million in year-round Head Start funds (OEO); \$5 million for summer programs (OEO and City); and \$8 million for Day Care programs (OEO in 1968; HEW in 1969).

Corporations then execute individual contracts with local programs to which the City (CDA) is not a party.

In addition to programs funded by the Council Against Poverty, each corporation has operated a neighborhood manpower center under contract with the City's Manpower and Career Development Agency ( MCDA ). These centers provide recruitment, intake, counseling, placement and referral services to assist unemployed in the target area to secure educational and training opportunities and jobs. The corporations also directly operate units of the Neighborhood Youth Corps administered by the City's Youth Services Agency,<sup>1</sup> and some of them provide certain administrative services under contract with the Department of Social Services.

Most of the Council-funded programs are carried out by local delegate agencies under contract with the community corporations. There are approximately 250 delegate agencies throughout the City, some of which were organized and funded prior to the advent of the corporations. Others have been created or developed by the corporations. It has been noted that community action funds provided by the Council alone provide a total of more than 6,400 jobs in New York City, 90% of which represent positions in the corporations and delegate agencies for non-professionals without college degrees.

As elsewhere, New York's Council Against Poverty and the corporations have not been inclined to program their resources

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<sup>1</sup>In 1972 the Department of Labor provided \$10.4 million for both in-school and out-of-school Neighborhood Youth Corps components, serving 5,500 youth.

through municipal agencies or established, city-wide private agencies. This policy has extended to Head Start and Day Care funds which have totally by-passed the City's Board of Education. The six city-wide programs which the Council has traditionally funded are all run by recently-created agencies, at least three being ethnic grants to Puerto Rican constituencies.<sup>1</sup> Additional city-wide ethnic grants were made in 1972 to city-wide Jewish agencies and Italian agencies.

The conduct of New York City's community action program reveals the conviction of its officials that control over program operations is critical if there is to be an impact on the lives of the poor. The Council and corporations have thereby insulated these operations from the city's other major agencies and institutions, and as a result have over time grown more and more isolated from them and their activities.

2. Assessment: In many respects the decision of OEO and CAAs nationally to go the route of "independence" has been fatal to the success of the Community Action Program. By saddling themselves with the operations and administrative burdens of mounting large social programs, the corporations in New York City have seriously impaired their ability to carry out other major objectives. And, unfortunately, they have assumed a posture which has led them into increasing isolation from other agencies dealing with the poor, and increasing impotence with respect to the activities of local government.

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<sup>1</sup>Puerto Rican Community Development Project ( PRCDP ); ASPIRA; and Puerto Rican Family Institute.

The casualties of this policy are many, including the following:

a. Drain on time and energy:

One serious result of assuming major operational responsibilities has been the resulting burden on CAA boards' time, energies and attention. In New York City, in particular, community corporation board members and early staff were simply not prepared to deal with the fiscal, personnel and operational problems which accompanied the rapid build-up of new programs between 1966 and 1968. Hiring and related start-up functions consumed most of the corporation's energies in their first months. These problems were complicated by a number of explosive and embarrassing situations, usually related to fiscal matters<sup>1</sup> and personnel practices. The need to stabilize administrative functions in the 1967-1970 period consumed the major attention of the community corporations in New York.

b. Restricted focus of activities: A related development has been the inevitable narrowing of focus on policy concerns, and a resulting diminution of both the role and influence of CAA and community corporation boards. Forced to deal constantly

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<sup>1</sup>Haryou Act represented the first major fiscal scandal when in 1966 it was discovered that either no records or indecipherable ones were available to support the expenditures of thousands of dollars. A pattern of similar fiscal revelations bounded OEO and CAAs throughout their first four years. However, the situations were often portrayed in their worst light because of a ridiculous auditing system which treated many ordinary and necessary expenditures, not specifically authorized by line-item budgets, as "disallowances." Disallowances were often perceived by and reported in the media as the equivalent of "missing" or "unaccounted for" funds.

with administrative and personnel problems, CAAs have developed along the lines of corporate enterprises, with executive directors who exercise most of the agencies' powers and prerogatives. Community corporation boards have tended to become rubber-stamp entities except where major struggles occur for agency control or between agency officials. Thus, over time the major functions of CAA and corporation boards have become:

- (1) Recruiting and selecting an executive director;
- (2) Allocating funds to various programs or, in cities with decentralized programs like New York, to neighborhood entities.
- (3) Approving a variety of personnel actions including staff appointments, salary increases and promotions; and hearing personnel grievances due to dismissals or alleged discrimination.
- (4) Serving as an appellate body to review decisions affecting local agencies, groups or interests which allege to have been unfairly denied program funds, to have received too little money, or to have been unfairly excluded from participation in a program.

These activities cover the major functions of most corporations' boards in New York City. But, except for #(4), they do not so accurately describe the functions of the Council Against Poverty which is not encumbered by a large operating apparatus.<sup>1</sup> The Council's time and efforts have been substantially diverted to mediation of local conflicts growing out of (1) struggles

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<sup>1</sup>The Commissioner of the Community Development Agency (CDA) is responsible in all administrative matters to the Administrator of HRA. This leaves the Council relatively unencumbered to pursue major policy issues and determinations involving the program, although it must approve the more drastic actions which CDA may take to solve serious administrative problems in a corporation.

within target areas for control of the corporations and (2) the Council's specific allocations of programs' funds to the corporations. As noted by Krauskopf:

"These mediation efforts and procedures developed to insure as much due process as possible for aggrieved groups, divert the energies of CDA away from assistance in improving the substantive content of antipoverty programs. The Council Against Poverty became the ultimate source of appeal within the New York City antipoverty structure, and much of the time of the unpaid citizen members of the Council, throughout the program's history, has been spent dealing with complaints from individuals or community groups, rather than making policy for the program."<sup>1</sup>

The eclipse of CAA and corporation boards has been completed by the shrinkage of federal appropriations for Title II which has occurred since 1966. One truly important role which the boards were given, allocating program resources, was thereby reduced to almost nothing after the first year's allocations were made. CAA and corporation boards have shown little or no capacity to shift funds from one program or agency to another, after the initial decisions to fund programs were made and operations initiated.

c. The conceptualization and design of new programs and services: In reviewing the program components in New York City or other urban areas, there is little evidence of unique or untried program ideas which were locally conceived.

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<sup>1</sup>J. Krauskopf, op. cit., p. 6

Most of the programs launched by CAAs, such as Head Start, Legal Services, community organization, etc., were designed centrally by OEO and pre-packaged for CAA implementation.

There is even less evidence, particularly in New York City, that CAAs and corporations have used their special familiarity with problems to develop programmatic expertise, or to use that expertise to improve local services and programs for the poor.

d. Overall planning and coordinating: Neither time nor resources have been available to most boards for overall community planning or coordination. CAAs were supposed to consider how CAA resources might be combined with vastly larger resources already being programmed to help the poor in each community, to create a more effective network of services, and to provide increased economic opportunities for the poor. Congress had correctly postulated that problems in existing programs for the poor included lack of a central focus and much duplication in the expenditure of resources. CAAs, however, never really tested the concept of whether a new network of agencies (CAAs) could undertake this task.

e. Institutional advocates for the poor: The capacity of CAAs and community corporations to serve as advocates for the poor has also been restricted by operational burdens. While confrontation tactics were in vogue, and blunt demands could produce desired reactions, CAAs and the corporations demonstrated some success in this area. However, once a more sophisticated generation of poverty technocrats developed in responses to mounting administrative problems, CAAs began to abandon advocacy

functions. At least in part because they have been saddled with operational burdens, most CAAs have failed even to develop the sophistication and expertise needed to keep them involved in the forefront of reform.

There is another reason for the restricted advocacy role. Soon after CAAs developed their initial programs, Congress started to cut back community action funds. As a result, significant time and energy has gone into the public defense of their operations and efforts to minimize the adverse impact of annual reductions. The Council Against Poverty has since 1967 demonstrated considerable success in this area, although at a real cost to its other functions.

It is questionable, of course, whether advocacy functions were inherently compatible with CAAs' overriding interest in maintaining substantial operational activities.

The Council and community corporations in New York City have become hidebound institutions. Except for an occasional foray into highly charged or emotional situations such as school decentralization, or challenges to their "turf" such as that which Model Cities represented, they have been content to run their programs and to let the challenge of reforming the major institutional programs affecting the poor be handled by others. This is evidenced in New York by the lack of Council or corporation involvement in the City's current efforts to reform its welfare system and procedures.

3. Lessons: The lessons of this experience are applicable to municipal decentralization in which local councils may have

significant operational controls over municipal service agencies, or staff agency functions related to budget or personnel. For example, local councils might be given primary line responsibility over certain municipal agencies. Or, they may have staffs which perform functions such as budgeting, personnel administration and purchasing related to decentralized service functions. In any political decentralization model, a district executive and some staff are likely to be provided to local councils.

The central lesson of the community action experience is this: the Charter Commission must consider how the administrative burdens which adhere to these kinds of responsibilities will affect the capacity of local councils to carry out other functions expected of them. For each proposed decentralization plan, analysis must be made of the extent to which local council time and energy will be consumed by administrative and operational responsibilities. If the Commission wants local councils to have planning functions, to make legislative types of decisions, to set policies and determine program priorities, to evaluate service performance, to listen to community grievances, and to do any of these effectively, it must scrutinize carefully each suggested decentralization plan model to determine:

- What operational and administrative responsibilities will be involved?
- What is their capacity to consume the time and attention of the local council?
- Will the local council still be able to effectively perform its other functions?

- What is the relative importance of the functions which will inevitably compete for the limited time and energies of the local council?
- What ways are there to insulate local councils from unnecessary administrative and operational burdens?

This experience also suggests that the Charter Commission should be reluctant to place local councils in direct control of major municipal service operations. It is argued that CAAs might have had more impact on the ways in which governmental agencies affect the poor if they had used their limited resources to promote key changes in the practices, policies and procedures of public and private agencies. Similarly here, a proper structuring of local council planning, policy-making, monitoring or other legislative functions could result in influence over considerably more important matters than day-to-day operational problems, personnel functions or other administrative activities. The latter functions are managerial in nature. To the extent they are assumed they will be conducted primarily by staff. As noted, this in itself can tend to elevate the prominence of staff at the expense of the authority of the local council.

Nor should the Commission discount the potentially diverting effects of putting local council members in a situation where they can exercise strong influence over agency hiring. Especially where elected officials are concerned, patronage has a way of becoming a major inducement to serve. This has happened demonstrably in CAAs and in the City's community corporations.

B. PURSUIT OF INCOMPATIBLE ROLES AND FUNCTIONSDETRACTED FROM THEIR EFFECTIVENESS.

1. Description: In addition to operating and administering programs, many urban CAAs in the 1965-69 period sought to organize the poor and to serve as their advocate before officials, private institutions and the public. Some, particularly in northeastern cities, played the advocacy role with a vengeance in the program's early years. Urban CAAs were also encouraged by OEO to mount "community organization"<sup>1</sup> efforts, the success of which was usually judged by the size of neighborhood councils, the membership of CAAs, and the numbers of participants in neighborhood centers and referral services. These ranks were to lend force and weight to the advocacy positions taken by CAAs and their boards on governmental and institutional issues.

The issues on which CAAs took a strong stand typically included more public housing, less red tape and more benefits for welfare recipients, better sanitation and health services, representation for the poor on various boards and commissions, and more minority employment by public and private agencies. These demands were usually made in simple and unsophisticated terms of "more" services or participations; and local officials at times felt and reacted to an implied threat of force or intimidation in the way such demands were presented.

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<sup>1</sup>Community organization program components, or "program accounts," usually consisted of paid community aides who organized neighborhood boards and advisory groups, and encouraged target area residents to come to CAA's meetings, to participate in elections, and to appear at other public meetings -- often to express their dissatisfactions or demands to public and elected officials.

CAAs broke new ground in the methods of advocacy which they popularized. Although they soon backed away from open support or involvement in demonstrations,<sup>1</sup> some of their early activities reflected the confrontation tactics popularized by Saul Alinsky in Rochester, New York and elsewhere. As a result, neighborhood disturbances and community action programs were for a long time associated in the minds of the general public and of the media.<sup>2</sup>

These activities also engaged the initial programs in New York City.<sup>3</sup> The militance and hostility which accompanied the early advocacy efforts of community corporations and the early advocacy efforts of community corporations and the Council Against Poverty ultimately undermined the confidence and esteem of initial supporters in the Lindsay Administration and isolated them very early in their lives. Accompanying fiscal crises, violence in corporation elections, and an over identification of the program with black groups and interests caused both supporters and detractors alike to minimize the contribution these new institutions could make to alleviating the plight of the poor in New York.

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<sup>1</sup>Section 213(a) of the 1967 amendments to the EOA attempts to curtail CAA employee participation in any activities which violate the law.

<sup>2</sup>In the Northeast region, for example, efforts to confront local officials, public agency heads and other institutions with lists of demands were quietly encouraged by OEO's young and inexperienced staff. Some of them reflected a contagious and sanctimonious feeling that OEO and the CAAs were on the side of light and truth, fighting the forces of repression and indifference lodged in City Hall and all other established institutions.

<sup>3</sup>Mobilization for Youth, serving New York City's Lower East Side, was the model of advocacy and organizational efforts which critics such as Patrick Moynihan attacked as subversive. Although MFY successfully resisted becoming a community corporation and losing its special status, it had a major impact on

(continued on page 53)

2. Assessment: The advocacy phenomenon and its implications in community action have never been fully explored. But, it is certain that the attitudes bred by advocacy functions within CAAs and their boards included a strong "us and them" mentality, an unwillingness to regard negotiations as little more than being "co-opted", and a self-righteousness which eventually led to their institutional and political isolation.

This role seriously undermined the planning and coordination functions which Congress envisioned for CAAs by alienating institutions they were supposed to coordinate with. The status of CAAs with officials and institutions had so deteriorated by 1968 that apparent reconciliations with local officials following the 1967 amendments did little to restore CAA's position locally, although it helped them to survive.

As noted earlier, the main operational role assumed by CAAs was equally incompatible with advocacy functions, which gave way and were much less emphasized after 1969.

3. Lessons: This aspect of the community action experience is relevant to the Charter Commission's task of choosing the functions and responsibilities to be vested in any new system of local councils. In view of the inherent constraints on capacities of such boards, care must be taken not to vest them with contradictory or incompatible responsibilities.

In any decentralization scheme for New York which goes beyond the resurrection of strong borough government a

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(See previous page)  
setting a standard of goals and tactics for neighborhood urban programs in the 1964-67 period.

number of districts similar in population characteristics and problems to areas now served by community corporations may be created. Thus, local councils which represent large pockets of minority residents living in poverty may feel they have heavy grievances against institutions which are supposed to serve them. They may, therefore, be tempted to assume strong advocacy roles, perhaps in reaction to the allocation of municipal resources to their districts or to the personnel constraints imposed by civil service or collective bargaining or municipal service agencies.

One goal of decentralization is to create means by which local concerns and preferences can be expressed and brought to the attention of City officials. But, overemphasis of this role, or lack of a structure and procedures through which it can be facilitated and controlled, could be counterproductive and detract from local councils' ability to effectively perform other functions. It may also create and nurture adversary relationships which are incompatible with the close cooperation needed between different levels and units of municipal government to make decentralization work effectively.

There are no structural devices or precautions to be observed in fixing responsibilities of district councils which will ensure the avoidance of a repetition of this aspect of the community action experience. Local councils and their staffs

will obviously have to be structured so that their potential for isolation from the rest of city government is avoided. Their structural relationships to City Hall and its operating agencies can, as it did in Model Cities, force the development of working partnerships between local and centralized entities.

C. THE OVERCENTRALIZATION OF PROGRAM AND ADMINISTRATIVE RESPONSIBILITY RESTRICTED LOCAL DECISION-MAKING AND THE PREROGATIVES OF DECENTRALIZED CAA BOARDS AND OPERATIONS.

Decisions and guidelines affecting the operations of decentralized CAA programs, such as New York City's community corporations, have been made at two levels: the federal level (OEO) and the city-wide level (CAA).

1. Description - OEO: OEO enforced a variety of program and administrative policies which governed both CAAs and their decentralized operations. In the administrative realm these included:

- a. Restrictions on salary increases by virtue of promotion, annual increments, etc. to 20%, without prior OEO approval.
- b. Regulations governing nepotism and conflicts of interests.
- c. Requirement of line-item budgets and restrictions on transfers between budget categories.
- d. Appeals procedures for local programs refused funds or disappointed with their level of funding. Appeals were to be made first to the CAA but subsequent appeals to OEO regional offices were permitted.

- e. Elaborate and detailed requirements for accounting procedures and fiscal reporting systems.
- f. A management information system requiring submission of data on the various types of program service rendered.

OEO justified uniform enforcement of these and similar administrative policies and procedures on the need to avoid unnecessary criticism of CAA practices. But the problems local programs faced in complying with such requirements, or in securing OEO approvals, were formidable. A neighborhood program in a city like New York, for example, would submit to the community corporation which funded the program a request for a budget modification which exceeded OEO guidelines, or for a waiver of the limitation on a salary increase. The corporation would, if it concurred in the request, forward it to the Community Development Agency (CDA) which would then decide whether or not to submit it to OEO. This process could take months to complete, by which time the action requested might be futile.

OEO influence over the local content of programs has been extensive, even though a major tenet of community action was supposed to be local determination of how Title II funds would be spent in each community. CAAs were organized and funded by OEO with incredible speed during 1964 and 1965. Initial grants to CAAs were typically for much larger sums than could conceivably be spent during the initial year. Thus, most CAAs were given a very short planning period, in some cases less than six months, which barely enabled them to organize their boards and central administrative structures.

One result was that initial program planning was determined to a considerable extent by OEO, which offered a variety of pre-packaged program components guaranteed to receive funding approval. Newly-formed CAA boards welcomed such assistance and gingerly allocated their funds to such programs under intense pressure to get applications in, grants awarded and federal funds flowing. Even greater pressure was exerted on CAAs to "tool up" their staffs and programs, and to expend program funds rapidly.

OEO officials quite naturally had their own program priorities, striving as they were to create an agency identity through several nationwide programs such as Head Start and Legal Services.<sup>1</sup> Regional OEO officials and staff also had preconceptions about program content and ample leverage to affect it. In the Northeast region, for example, OEO field representatives to CAAs often insisted that significant portions of CAA resources be allocated to community organization activities.

After the Community Action Program's first two years, there was a legislative tendency, encouraged by OEO, to give individual programs independent status and funding within Title II. This assured their continuation regardless of local CAA decisions on how to spend Title II's versatile or discretionary funds. After the 1967 amendments to the EOA, these "Special" Programs: included, in addition to Head Start and Legal Services,

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<sup>1</sup>Both the Head Start and Legal Services programs were initially created with versatile Title II funds. They were established by statutory amendment in 1966 as independent programs with specific congressional appropriations.

projects "Follow Through", "Comprehensive Health Services", "Upward Bound", "Emergency Food and Medical Services", "Family Planning", and "Senior Opportunities and Services".<sup>1</sup>

2. Description - New York City: New York's community action structure is theoretically one of the most decentralized urban structures in the country. The City's community corporations represent 3.16 million people and their representatives to the Council Against Poverty comprise almost half of the Council's membership. The 26 corporations have operational responsibility for virtually all programs funded by the Council in their areas, and recommend annual allocations of funds for each of them.

The division of functions between these entities is as follows:

The community corporations annually develop a plan of the programs to be operated in their areas. Staff recommends to corporation boards decisions as to what programs should be funded, the level of funding, and the details of budgets and work programs.<sup>2</sup> Once the boards approve or modify the plans, they are submitted to the Council Against Poverty for its approval. The major decision for the Council is the funding level for the corporation and the target area it represents.

After Council and OEO approvals are secured, with or without modification of corporation plans, the corporations receive and distribute all funds for their area programs under a contract with CDA, representing the City of New York. The corporations

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<sup>1</sup>See Section 222(a) of the Economic Opportunity Act, as amended.

<sup>2</sup>Only "versatile" funds are subject to the Council's and corporations' program discretion. These include \$16 million in OEO and \$16 million in tax levy funds. Other funds provided corporations, such as Head Start, Neighborhood Youth Corps, Manpower Services, etc. and "categorical grant" funds earmarked for specified federal programs. The Council and corporations may, of course, change the funding levels of the delegate agencies operating such programs, or the agencies themselves.

advance these funds to delegate agencies on a monthly basis, and give technical assistance to the delegate agency programs. In the course of a program year, the corporations have limited discretion to modify budgets and program designs and must seek approval of the Council for major program changes or budget modifications which exceed certain limits.

There are additional constraints on the prerogatives of New York City's community corporations. With its discretion to alter the annual funding level of each corporation, the Council has powerful leverage which it can (and has) exercised over corporation boards, staff and activities. In passing on the package of programs submitted by the corporations for approval, the Council has on occasion rejected specific delegate agency components proposed in a corporation's overall program, and has also demonstrated capacity to force inclusion of specific programs which the corporation may have rejected. This type of action by the Council has led to many long, vituperative sessions between the Council and certain corporations and community groups, and has left some permanent strains in their relationships. As in other areas of controversy within the program, ethnic problems appear in many cases to have been the underlying cause of such conflicts.

The Council is also empowered by executive order to set overall program policies and to mandate the inclusion in corporation budgets of certain program accounts. And, it controls to some extent the percentage of each corporation's resources to be allocated to those programs' accounts. For example, in 1972,

the Council's "mandated program accounts" included: Economic Development, Manpower Outreach, Education Action, and Housing Corporations. The Council stipulated that the total resources applied to each of these accounts had to equal that applied in the previous year. The Council's "guidelines" for 1972-73 stated that corporations could consider reallocating resources among program accounts, but that they had to justify any such changes to the Council.

Considerable controversy has attended the Council Against Poverty's annual allocations of funds to the 26 community corporations. Since the corporations were not established simultaneously, and because more federal funds were initially expected than were actually forthcoming, the earlier and better organized communities were allocated disproportionately high sums relative to poverty data on their communities. This unevenness in the distribution of funds has also reflected an ethnic bias towards the large black communities. It has been widely acknowledged that Central Harlem (Haryou Act) and the Bedford Stuyvesant corporations have had annual funding levels disproportionate to most of the other corporations, by almost any measure of comparable levels of poverty.

The shrinking of versatile funds each year since 1966 has meant that some delegate agency programs previously funded would have to be closed in order to fund a new and different project. Because of the political and administrative difficulties of cutting or terminating programs, very little shifting of funds or programs has actually taken place.

At the same time, where changes have been attempted, the Council has usually had to hear and decide appeals from dissatisfied delegate agencies. This process has also promoted the consolidation of power and program prerogatives in the Council.

A similar situation pertains on the administrative side of the ledger. CDA controls the actual disbursement of funds to each corporation on a monthly basis. Through this mechanism, and in the process of weathering numerous fiscal crises, CDA has gained considerable leverage over the corporations. CDA issued in 1969 a "Manual of Functions and Responsibilities" for the corporations which sets forth model organization charts, a list of corporation functions, and a management table with position descriptions and salary levels for each position. While the manual is designed to provide "guidelines" for the corporations, it has had a decided effect on their organizational structures and staffing patterns.

The potential for even tighter CDA control over corporations exists in their contracts with CDA. These provide the CDA Commissioner with the authority to remove a corporation's executive director for cause, subject to the concurrence of the Council Against Poverty. The contract also contains a unique provision which gives the Commissioner of CDA authority to impose trusteeship over a corporation which fails to live up to its obligations under the contract in any substantial way. This power has been used on occasion, and upheld in the courts at

least once, to bring rebellious corporations into line with Council policies or CDA administrative requirements. The CDA Commissioner's administrative authority over the entire community action program in New York has thereby been firmly established, in spite of the fact that the corporations are private, non-profit agencies with only a contractual relationship to the city.

3. Assessment: The sum of these procedures and policies has been to restrict considerably the capacity and authority of New York's community corporations to determine and govern their own programs. There are several reasons for this in addition to those set forth above. First, pressures and burdens of extensive, and often over-lapping, administrative procedures and requirements have discouraged local decision-making which might change the status quo of excessive involvement of parent agencies or OEO. Second, versatile funds, those reserved for local determination as to their use, were initially invested in programs designed by OEO and have since dwindled with each EOA appropriation. Finally, neither CAAs nor their decentralized programs have demonstrated an inclination or capacity to confront the community pressures which inevitably accompany the shifting of funds from one agency or program to another.

In New York City the purpose of the decentralized program structure was to give local community corporations power to determine the specific needs of their individual communities and to plan the allocation of their resources accordingly.

But, despite its appearance of a highly decentralized structure, the allocation of functions between the Council, CDA,

and the corporations has considerably restricted the intended autonomy of corporations within their own communities. The drift of events, including fiscal crises and perennial cutbacks, has also fostered concentration of power in CDA and the Council at the expense of the corporations.

One concludes from this review that the critical powers and controls over each corporation's activities and programs have either been retained by the central units in the city's community action structure, or determined by OEO. While historical and other circumstances have conspired to bring this about, the program in New York does not function as an effective model of a strongly decentralized operation.

4. Lessons: There are several important reasons for exploring this development in the city's anti-poverty program. One is that it demonstrates very well the tendency over time for centralized units in public programs to consolidate and grow at the expense of decentralized units of authority. This trend toward consolidation is encouraged by the failure (1) to anticipate the major decisions which will have to be made centrally in any decentralized organization, and (2) to provide mechanisms for making them which will operate as objectively and as unobtrusively as possible.

The discussions of the relevancy of the community action experience to issues facing the Charter Commission have assumed a decentralization model of "shared authority" between local and central governmental units. In this model, some basic functions are conducted centrally, such as revenue raising, the allocation

of revenues to districts, regulation of certain aspects of services, negotiations over revenue sharing with state and federal governments, etc. In this and in other models considered by the Commission, the goals of increased citizen participation, and a resulting increase in the accountability and effectiveness of municipal service agencies, are to be achieved through some form of local council.

The most difficult decisions to be made in fleshing out the details of such models will be the division of powers and responsibilities between the local councils, on one hand, and City Hall and its centralized municipal departments, on the other. Some of the critical questions to be considered will be:

- How will allocations of city, state and federal revenues between various districts be determined?
- Which municipal departments and which of their specific functions will be decentralized or placed under the control of district councils?
- How will the responsibilities for police, sanitation and fire department functions be shared with district councils?
- What role will local councils and central units have with respect to the staff of decentralized departments or the selection of district executives?
- How will controversies between central and local units, or among local units, be resolved?

As indicated in this paper, the community action program in New York City faced many of these problems in attempting to decentralize both policy-making powers and operational responsibilities to neighborhood councils and centers. The failure to

accomplish a significant degree of actual decentralization, as originally intended suggests the following specific lessons and objectives for any governmental decentralization for New York City:

- a. A relatively objective and apolitical mechanism should be used to allocate any funds or resources to local units.
- b. Within clearly defined but minimal limitations, local councils should have discretion to set their own priorities and to allocate the resources they control in the way they determine to be most appropriate.
- c. Establish an administrative structure, divide functions and design operating procedures which minimize the reliance of decentralized units on administrative actions of centralized agencies. For New York City this means that bureaucratic delays and unnecessarily complicated procedures to secure central office actions must be reduced to avoid creating the kind of bureaucratic hierarchy of control which developed in the anti-poverty program, Model Cities and which currently exists in the operation of the City's line agencies.

The fact that revenue raising will be retained centrally in virtually all political decentralization models raises another serious issue in this section. Once tax levy and other resources are collected centrally, some agency or mechanism must decide how to allocate funds to areas controlled by district councils. How that issue gets resolved will be pivotal to the extent of actual decentralization which can occur under any model.

There are really only two major options:

- (1) Place decisions regarding allocations between districts in the hands of central units, e.g. City Hall and the Bureau of the Budget; or
- (2) Establish procedures for determining district allocations based on specific data elements, and possibly a formula, and which avoid placing discretionary power in central units.

The latter alternative is preferable. Any power over

allocations retained centrally will increase the natural tendency of central units to consolidate authority in a variety of areas. As demonstrated in the community action programs, such steps can minimize decentralized decision-making.

Equally important, the exercise of discretion over funding allocations can create or exacerbate other problems which tend to arise in decentralized operations, including:

- (i) the necessity for appellate procedures;
- (ii) an increase in the politicization of staff agency bureaucrats;
- (iii) the central imposition of seemingly routine planning procedures which may stifle initiative;
- (iv) an increase in ethnic hostilities based on local perceptions of how new funds are allocated.

Given the complexity of governmental and municipal operations in New York City, however, some combinations of these two options may ultimately be required.

D. AVOIDING THE DEBILITATING EFFECTS OF ETHNIC CONFLICT.

1. Description - National: As noted at the outset, OEO and its CAAs incorporated into their activities a strong civil rights mandate. Community action critics and Puerto Rican, Mexican-American and other groups have long alleged an over-identification of the community action programs with the Black Civil Rights Movement of the 1960s. In recent years, Jewish and Italian anti-poverty groups in New York City, and other white ethnic groups, have complained of their exclusion from the benefits of urban community action programs. The charges are not without foundation.

In resisting the 1964-65 efforts of city mayors, other local officials and existing institutions to control CAAs; in concentrating resources on inner-city ghettos; in delineation of target areas, and in the staffing of CAAs and their programs, OEO and the local organizers of urban CAAs were clearly preoccupied with providing a vehicle to bring disadvantaged Blacks into the mainstream of American life.

As a result, by 1968 CAAs in many large cities were perceived by commentators and the public to be concerned primarily with needs of Black Americans. In cities such as Chicago, Pittsburgh, New York, Rochester, Syracuse, etc., this image was supported by staffing patterns reflecting levels of black employment disproportionately high in relation to the percentages of poor Blacks represented in those cities' poverty populations.<sup>1</sup> These patterns were generally even more pronounced in the Head Start and Neighborhood Youth Corp programs. A 1972 sampling by OEO of northern, urban CAAs revealed that where Blacks comprised over 20% of a target area population, they generally held a majority of the CAA's staff positions.

Some ethnic and minority groups, and critics of OEO, have tried to trace a conscious design in the evolution of the

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<sup>1</sup> Data collected by OEO in 1972 revealed the following patterns in the 1971-72 period:

<u>CAA Serving</u>	<u>Black % of Poverty Population</u>	<u>Black % of CAA Employees</u>	<u>Black % of Head Start Enrollment</u>
Pittsburgh	44.8	74.0	70.1
Chicago	61.0	81.7	76.0
New Haven	26.5	40.0	90.0
Rochester	25.0	74.0	87.8

community action program to exclude the involvement of poor who are not black. But, in cities such as New York, Chicago, Pittsburgh and Philadelphia, where mayoral control or influence over the establishment or operation of the program has been substantial, local officials themselves had a part in the close identification of CAAs with the Black civil rights movement. Perceived from historical perspective, this development was the inevitable result of several factors, including:

- (a) The EOA was enacted at a time when the Civil Rights Movement of the 1960's was peaking. Under the leadership of the Reverend Martin Luther King, Whitney Young and others, federal response to poverty and lack of opportunity among Blacks was being pressed and supported from many sides.
- (b) The basic research, planning and drafting of the EOA was done under the Kennedy Administration, and reflected in considerable part the hope of the late President to catapult Blacks into the mainstream of American life. The fact that the EOA was passed in the aftermath of his death, and with an element of tribute to the late President, may have affected the perception of leading Kennedy men (including Shriver) who stayed on to launch the program.
- (c) The years of struggle by the NAACP and the Southern Christian Leadership Conference had created a legacy of local talent for articulating the needs of Blacks, for dramatizing the ravages of discrimination, for drawing support from white organizations and individuals, and for organizing locally around specific issues.
- (d) A major focus of social and political literature since 1955 was the growing blight of America's inner cities. By 1965 not only attention, but substantial funds were brought to bear on inner city neighborhoods. At the same time these neighborhoods had been or were in the process of being abandoned by whites.

- (e) The threat and shock which the urban riots of the mid-sixties represented to national and urban leaders was considerable. Giving Blacks relative autonomy over many urban CAAs evidenced tendency among local officials to regard CAAs as part of a riot prevention apparatus.
- (f) There was strong resistance among urban, low-income whites against affiliating themselves with programs serving and employing substantial numbers of Blacks. This factor was most strikingly evident in large metropolises such as Chicago and Philadelphia which have major black and white ethnic communities.
- (g) Finally, and most critical to assessing the meaning of data suggesting disproportionate participation of Blacks in CAA programs, the blight and hopelessness of poverty has been visited longer and more insidiously on Black Americans, than on any other minority group, perhaps with the exception of the American Indian. One-third of all Blacks in this country (7.65 million) lived in poverty in 1970.<sup>1</sup> Among whites, 10% (17.5 million) fell within the poverty guidelines for the same year. Persistent manifestations of racism in our society and its institutions has made the plight of the Black poor the most disparate and widespread, and the most in need of participation in public instruments such as CAAs.

Recognition of the role these circumstances have played helps one to understand the extent to which the concept and thrust of the Black Civil Rights Movement was merged with that of the Community Action Program between 1964 and 1967. During those years, in Washington as well as in the regions, the distinction between the two was continually blurred. By 1967, OEO parlance was sufficiently attuned to this fact and if one discussed the "urban poor", he was assumed to be discussing inner city Blacks.

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Current Population Report, U.S. Census Bureau, Series P. 60, No. 77, May 7, 1971.

Problems raised by the alleged ethnic identification of CAAs began to appear in New York City and Los Angeles initially, and by 1969-70, had spread to programs in a variety of other cities across the country. Mindful of the accomplishments of Blacks, Spanish-speaking Americans launched in that period their own civil rights movements, and one of their first targets were CAAs which Blacks had come to dominate. Long, bitter struggles developed in many cities over how to best accommodate in a shrinking program Puerto Ricans and Mexican-Americans who could demonstrate severe poverty and lack of opportunity. The net result of these struggles has been:

- (1) To increase the identification of the CAAs with the Black Civil Rights Movement;
- (2) To help complete the isolation of CAAs from local governments and the network of public and private institutions dealing with the poor;
- (3) To link public and political support of the program with that displayed for the waning Black Civil Rights Movement;
- (4) To fragment the CAA structure through the award of "ethnic" grants to groups or organizations dedicated to promoting the interests of one ethnic or minority group.

## 2. Description - New York City

The allegation of over-identification of community action as a Black program has caused serious problems in New York, as elsewhere. The New York City Planning Department estimated in 1965 that 656,000 Puerto Ricans resided in the newly drawn target areas for the City's anti-poverty program. This represented about 20% of all persons in those areas, 35% of them having been estimated to be Black, and 45% white. Not all of these persons were poor, of

course. But, later estimates drawn from application of welfare eligibility and similar statistical indices to this data suggest that 32% of the "poor" residing in target areas were Puerto Ricans, while 38% were Black.

In 1969, with new attention being paid to Puerto Rican exclusion, and on the heels of rapidly developing Puerto Rican leadership and sophistication, the Council Against Poverty turned its attention to the equity of its area allocations and directed CDA to develop a format for determining the "fair share" of local initiative funds each community corporation should receive.

The precise way in which CDA established "fair share" allocations, or the amount of funding which the Council would award each corporation, was rather obscure. It is clear from CDA's report, however, that poverty data from each corporation's target area was a primary basis for determination of the fair share

<sup>1</sup> allocation. According to CDA's report, this "gross amount which each area would receive based on population, would be further modified by the poverty index reflecting the relative need of each poverty area."<sup>1</sup> Without detailing the mechanics used to incorporate other poverty indices into the derivation of fair share, CDA's report listed factors of "significance", including:

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<sup>1</sup>

See the Council of the City of New York's "Final Report of the In-depth Study of the Human Resources Administration of the City of New York", dated July 24, 1969.

- (a) The total number of persons receiving welfare assistance per 1,000.
- (b) Live births on General Service hospital wards in 1965 per 1,000 population.
- (c) Number of juvenile delinquency offenses (7 to 20 years old) per 1,000 population.<sup>1</sup>

Despite the obscurity surrounding the precise method of deriving a fair share figure from these "indices", the Council accepted the concept as a method of securing "the goal that each poverty area would receive funds based on the degree of severity of need as determined by them." Also adopted were the following policies for determining area allocations in FY 1969-70:

- (1) That a minimum allocation of \$200,000 be invested in any area, regardless of poverty index;
- (2) That no area receive less than 70% of its fair share allocation if it does not fall under the guidelines stated above;
- (3) That for purposes of preliminary allocations, areas receiving more than 200%...be reduced to the 200% level.

The application of the "fair share" formula to the 26 community corporations indicated widespread discrepancies between actual area allocations and the fair share allocations for fiscal year 1969-70. Fourteen (14) corporations were revealed to be receiving under 80% of their fair share, while five (5) agencies received over 150%.

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<sup>1</sup>

See the Council of the City of New York's "Final Report of the In-depth Study of the Human Resources Administration of the City of New York," dated July 24, 1969.

Notably, the corporations with Black pluralities were revealed to be faring much better than the others. Taking cognizance of these facts, the Council in 1969 set as a "high priority" the "mandate of an adequate and just 'fair share' concept of funds distribution."<sup>1</sup>

Not surprisingly, however, the Council has been unable to bring about the radical redistribution of funds by area which total equity between community corporations would seem to require. However, in the four years since 1968 it is clear that the Council's attention to this problem has wrought some gradual changes in the 1968-70 situation.

Indicative of the more dramatic changes brought about by this process, Haryou-Act, Inc., which serves Central Harlem, dropped from an area allocation of \$5,720,000 in 1968 to \$2,127,824 in 1972. Youth-in-Action, serving the Bedford-Stuyvesant area of Brooklyn, dropped from \$5,200,000 in 1968 to \$3,690,000 in 1972.<sup>2</sup>

In comparing the relative involvement of Puerto Ricans in the City's anti-poverty efforts, a fairly conclusive case was made that Puerto Ricans had not been treated equitably. For example, in applying the fair share formula, it was discovered that the three

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<sup>1</sup>

In 1969-70, the Bedford-Stuyvesant Corporation (Youth-in-Action) was determined to have received 151% of its "fair share", Central Harlem 222% and Long Island City 390%.

<sup>2</sup>

It is important to note that the OEO local initiative funds available city-wide dropped from \$32,000,000 to \$28.9 in the four years over which these adjustments were brought about.

community corporations with a plurality of Puerto Ricans received 81% of the "fair share" of local initiative funds in the 1968-69 program year; while the six predominantly Black community corporations had at their disposal in the same program year, 131% of their fair share.

Considerable strife and rancor has accompanied the efforts of Puerto Ricans to gain access to what they regard as a proportionate share of jobs, funds and political action related to New York City's Community Action Program. Ethnic rivalries surfaced regularly at Council meetings, and with substantial bitterness and even violence during community corporation elections. However, the more violent manifestations of this strife have diminished with the maturity of the program. But the hostilities between groups continue to be manifested in the program. One indication of this fact was reported in the New York Times during the most recent corporation elections:<sup>1</sup>

"Attention will be focused on the contest in the Morrisania section of the Bronx where control of hiring and the allocation of the Community Corporation's \$1.5 million annual budget has led to violence between Black and Puerto Rican residents."

.....  
 "La Morrisania, the Morrisania Community Coalition, a group of Black residents has been waging an all-out campaign, complete with a headquarters and area coordinators to get out the vote. 'We are making a strong drive because we are very concerned about the Puerto Rican drive to sweep all of the agencies of this kind in the Bronx.' said Hubert Iros, chairman of the group."

### 3. Assessment

An ethnic dimension to almost every major problem discussed in this paper can be perceived. Institutional domination

by ethnic groups, and the rivalries and hostilities it produces, are a fact of life in New York City. In the City's Community Action Program the fact that most struggles have involved two seriously deprived ethnic groups has merely heightened the intensity of the conflicts.

As inevitable as such conflicts may be, neither OEO, CAA nor the Council and corporations in New York, have demonstrated much constructive effort at alleviating or controlling ethnic tensions. The result has been a disaffection with the City's community action program structure by non-Black minorities and white ethnic groups alike. The Council's recent attempts to fund "ethnic" programs for Puerto Ricans, Jews and Italians has had little effect on this overall alienation. And, while other factors have been important, the lack of ethnic diversity in the conduct of the City's community action program has been one major reason for its political and institutional isolation.

#### 4. Lesson

The Commission must face the possibility that in any decentralization plan for New York City, the legacy of ethnic dissension and power struggles will continue in many areas now served by community corporations. While there is no "solution" to the problem, steps can be taken to minimize the results of ethnic rivalries and decisions can be avoided which tend to exacerbate them.

OEO and its CAAs attempted to defuse and to control ethnic strife in a variety of ways, and gained some significant and costly experience in these attempts. Those lessons which seem particularly germane to the Commission's efforts include the

following:

- (a) Efforts to draw district boundaries should be scrupulously divorced from ethnic and racial considerations, *per se*. While attempts to adhere to traditional neighborhoods may often confirm or create ethnic groupings, those neighborhoods must be defined on the basis of other compelling criteria. Gerrymandering to create "Black" or "Puerto Rican" districts or sub-districts must be avoided at all costs.
- (b) District council elections should utilize neighborhood subdivisions to promote strong neighborhood identification. This will also mitigate ethnic polarization within councils and lessen the intensity of ethnic struggles for control.
- (c) Some appointed seats on district councils should be used to correct glaring deficiencies in ethnic representation and to minimize the "winner-take-all" mentality of community corporation elections.
- (d) Terms of office in district councils should be staggered to avoid rapid changes in composition and to discourage efforts of any group to seize control in one election year.
- (e) Legislation might be passed and policies implemented which would increase the employment of district residents in the delivery of municipal services and programs in their areas. In the Model Cities efforts to accomplish this, major union resistance to such developments was encountered. Such policies could have several beneficial effects, such as:
  - (i) breaking down the strong ethnic staffing patterns of municipal agencies, e.g., Sanitation (Italians), Police (Irish), Youth Programs (Blacks and Puerto Ricans). Forcing integration of all city agencies will ultimately result in a reduction of ethnic fears, tensions and hostilities, and in greater recognition of common goals;
  - (ii) strengthening the sense of community responsibility among agency personnel through closer identification of their work with the safety and welfare of their neighborhood;

- (iii) curtailing some of the practices of city employee unions and reducing their hegemony over aspects of employee recruitment and selection;
- (iv) establishing stronger bridges of communication between neighborhood residents and city agencies;
- (v) increasing employment of minorities in city service.

The Community Action Program in New York City and elsewhere has experienced nine years of intense inter-racial problems at all levels. It has launched careers for a great number of black professionals and executives who have gone on to positions of responsibility in every field of government, and it has provided a crucible in which some lessons in inter-racial communication have been learned. Blacks and other minorities in this city now hold positions in this city, albeit at lower levels, in agencies, institutions and walks of life where they were very rarely seen ten years ago.

In all of this, only one proposition emerges which can be stated with certainty as a lesson for the Charter Commission. It is that simply working together, in close proximity over time, is the most effective way to reduce racial fears and prejudice, to foster inter-racial understanding and to promote normal relationships between different ethnic or racial groups and individuals. In this writer's opinion, this truth, together with the basic democratic ideals of this country, dictates strongly against any policies, practices or structural devices which tend to preserve or to promote ethnic homogeneity within decentralized governmental units.

## IV.

CONCLUSIONS

The central failure of the anti-poverty program, both in New York and elsewhere, has been the lack of (1) careful planning for the development of the program and (2) anticipation of the problems and inconsistencies discussed above. The result has been a gradual isolation of New York's Community Action Program and its structural bodies (Council Against Poverty and community corporations) to the point where its continued existence is in serious doubt.

This development is considered by some to be a fair trade-off for the impact which community action has had on governmental responses to poverty, and to particular problems of racial minorities in New York and other cities. Some early OEO officials point out that despite the way in which CAAs have sought to develop, the initial conception was that OEO and the CAAs should devolve themselves of program operations as soon as they were sufficiently established to be absorbed by traditional service agencies. In this view, the recent transfer of virtually every established program under OEO's jurisdiction to other federal agencies, and the current isolation and possible termination of CAAs, is all part of the initial scenario for community action.

The Charter Commission must conceive and build strong and lasting institutions of local government. There can be no excuse for conceiving and building institutions so precipitously that their effectiveness and chances of survival are seriously diminished.

The experience described in this report demonstrates that strong and effective institutions of government cannot be created overnight. Decentralized units of government must be built slowly, and with awareness of the serious difficulties inherent in developing them and in involving local residents. This is particularly true in low income communities where urban blight is most severe.

Accordingly, once a decision is made regarding the decentralization plan to be pursued, the Charter Commission should plan for gradual assumption by local districts of the powers and functions they will ultimately possess. This should be done over a period of five to ten years depending on their number, size and specific powers and functions. Such an approach would avoid many of the pitfalls which have plagued the City's community action agencies, and would provide time and an opportunity:

- (1) To test original assumptions and to modify plans, where necessary, without threatening the entire institutional framework.
- (2) To develop administrative procedures and mechanisms which will support rather than undermine the exercise of power by decentralized units.
- (3) To avoid the inevitable excesses, manipulation and administrative irresponsibilities which accompany periods of rapid change or growth.

- (4) To identify, train and utilize local residents in district council activities and to build responsible civic leadership within the City's various communities.
- (5) To measure the extent to which decentralization objectives are being accomplished within a framework where adjustments in goals structures and functions are anticipated and do not signal failure.

To proceed otherwise will unnecessarily expose the City's decentralization to many of the risks which have brought CAAs and community action programs to their present state of isolation.

Community Corporations  
New York City

Bronx

Hunts Point  
Morrisania  
Morris Park (Bronx River)  
South Bronx  
Tremont

Brooklyn

Bedford Stuyvesant  
Brownsville  
Bushwick  
Coney Island  
Crown Heights  
East New York  
Fort Greene  
South Brooklyn  
Sunset Park  
Williamsburg

Manhattan

Central Harlem  
East Harlem  
Lower East Side  
Lower West Side  
Mid West Side  
Upper West Side

Queens

Corona-East Elmhurst  
Long Island City  
Rockaway  
South Jamaica

Staten Island

Brighton Harbor





